

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0613-01
Bill No.: Truly Agreed and Finally Passed HB 266
Subject: Professional Licenses; Real & Personal Property; Economic Development
Type: Original
Date: April 26, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Department of Economic Development–Division of Professional Registration** assume the proposal would have no fiscal impact on their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal will have a direct fiscal impact on real estate brokers and businesses receiving remuneration from real estate brokers.

DESCRIPTION

This bill requires that reasonable cause be established before any commission is paid by a real estate agent or broker. Reasonable cause does not exist unless the party seeking compensation actually introduces the business to the licensee before a relationship is established between the licensee and the principal to the transaction. Even though reasonable cause exists, it will not guarantee the interested party a legal right to receive compensation.

Nothing in the bill prohibits any consumer from joining any organization in which one of the benefits includes the organization's ability to negotiate prices for real estate, nor does it prohibit any inducements to the buyer. Further, nothing prohibits an employer from directing an employee from following all terms of relocation packages, or prohibits the employer's choice of relocation providers.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development
Division of Professional Registration

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive "e" at the end.

Jeanne Jarrett, CPA
Director
April 26, 2001